

AMENDED IN SENATE MAY 31, 2006

CALIFORNIA LEGISLATURE—2005–06 REGULAR SESSION

ASSEMBLY BILL

No. 2650

Introduced by Assembly Member Laird

February 24, 2006

An act to amend Sections 3, 5, 6, 7, 7.5, 11, 14, and 15 of the Monterey Peninsula Airport District Act (Chapter 52 of the Statutes of 1941), relating to the Monterey Peninsula Airport District.

LEGISLATIVE COUNSEL'S DIGEST

AB 2650, as amended, Laird. Monterey Peninsula Airport District.

(1) Existing law, the Monterey Peninsula Airport District Act, establishes the Monterey Peninsula Airport District and prescribes its powers and purposes. The act authorizes the district to incur indebtedness and to issue bonds pursuant to specified provisions of law. Under the act, the total amount of outstanding bonds issued under these provisions may not exceed \$15,000,000 at any one time.

This bill would delete that limitation.

The bill would authorize the district to incur indebtedness using securitized limited obligation notes pursuant to specified existing law.

(2) The act authorizes the district to maintain a police department, to adopt ordinances, resolutions, and regulations to protect the peace, health, and safety of the public in an airport of the district, as specified, and to prescribe penalties for the violation of those ordinances, resolutions, and regulations. The act makes a violation of any ordinance, resolution, or regulation a misdemeanor. The act specifies that the police powers granted to the district by these provisions are solely for the purposes of carrying out these provisions.

This bill would delete the reference to the district's police powers, and specify that the district's authority to adopt ordinances, resolutions, and regulations is for the protection of the public's peace, health, or safety in an airport of the district. The bill would make any violation of an ordinance, resolution, or regulation a misdemeanor unless, by ordinance, the district designates the violation as an infraction.

~~(4)–~~

(3) The act requires the district to conduct a district election in the manner provided by law for general municipal elections and general laws, as applicable.

This bill would require the district to conduct a district election in the manner provided by the Uniform District Election Law. By establishing duties on county election officials in connection with district elections, the bill would impose a state-mandated local program.

~~(5)–~~

(4) The act, with exceptions, requires the district to undertake, by ordinance, certain actions, including actions approving the expenditure of more than \$10,000, the acquisition or disposition of real property, and the granting of any franchise. The act requires all ordinances to be signed by the chairperson of the board of directors and to be attested to by the secretary. The act requires all members of the board of directors who are present at any meeting to vote with regard to a proposed ordinance or resolution that is pending before the board.

This bill would delete that requirement relative to those described district actions, and would require all ordinances to be signed by the chairperson or acting chairperson of the board of directors and attested to by the secretary or the acting secretary. The bill would delete the voting requirement.

~~(6)–~~

(5) The act provides that the members of the board of directors, the secretary of the board, a general manager, an auditor, and district counsel are the officers of the district.

This bill would include one or more assistant managers among those district officers.

~~(7)–~~

(6) The act authorizes the board of directors to grant to each of its members compensation in an amount not to exceed \$100 for

attendance at each regular or special meeting of the board held within the district. The act prohibits each director from receiving compensation for more than 4 meetings in any calendar month.

This bill, instead, would authorize the board of directors to grant that amount of compensation to each director for each regular or special meeting of the board attended, or for each day's service rendered as a director at the request of the board, and would prohibit each director from receiving compensation for more than 4 days in any calendar month.

~~(8)–~~

(7) The act requires a vacancy on the board of directors to be filled by appointment, and requires a successor to be elected for the unexpired term of his *or her* predecessor at the next general election.

This bill would require a vacancy to be filled pursuant to a specified provision of the Government Code.

~~(9)–~~

(8) The act requires the district auditor *to install and maintain a system of auditing and accounting to show the financial condition of the district. The act requires the district auditor* to draw warrants to pay demands made against the district if the demands have been approved by at least 3 members of the board of directors, and provides for the payment of those demands from depositories designated by the district for the custody of district funds.

This bill would *require that auditing and accounting system to be consistent with generally accepted accounting principles. The bill* revise those warrant provisions to also apply to the payment of demands made against the district in the form of checks, electronic fund transfer authorizations, or other specified means, and would exempt the payment of certain claims or demands from approval by one or more members of the board of directors. *The bill would require those payment procedures to be consistent with generally accepted accounting principles.*

By establishing various requirements on the district, the bill would impose a state-mandated local program.

~~(10) The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.~~

~~This bill would provide that no reimbursement is required by this act for a specified reason.~~

~~With regard to any other mandates, this bill would provide that, if the Commission on State Mandates determines that the bill contains costs so mandated by the state, reimbursement for those costs shall be made pursuant to the statutory provisions noted above.~~

(9) The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

The bill would also provide that no reimbursement shall be made pursuant to these statutory provisions for any other costs mandated by the state pursuant to this act, but would recognize that local agencies and school districts may pursue any available remedies to seek reimbursement for these costs.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: yes.

The people of the State of California do enact as follows:

- 1 SECTION 1. Section 3 of the Monterey Peninsula Airport
- 2 District Act (Chapter 52 of the Statutes of 1941) is amended to
- 3 read:
- 4 Sec. 3. Corporate Powers. The Monterey Peninsula Airport
- 5 District is hereby declared to be, and established as, a body
- 6 corporate and politic, and, in addition to other powers herein
- 7 granted, shall have and is hereby granted all of the following
- 8 powers:
- 9 (a) Perpetual Succession. To have perpetual succession.
- 10 (b) Lawsuits. To sue and be sued in the name of the district in
- 11 all actions and proceedings in all courts and tribunals of
- 12 competent jurisdiction.
- 13 (c) Seal. To adopt a seal and alter it at pleasure.
- 14 (d) Property. To take by grant, purchase, gift, devise or lease,
- 15 hold, use, enjoy, and to lease or dispose of, real or personal
- 16 property of every kind within or outside the district necessary to
- 17 the full exercise of its power.
- 18 (e) Improvements. To acquire or contract to acquire lands,
- 19 rights-of-way, easements, privileges and property of every kind,
- 20 and construct, maintain, and operate any and all works or

1 improvements within or outside the district necessary or proper
2 to carry out any of the objects or purposes of this act, and to
3 complete, extend, add to, repair, or otherwise improve, any
4 works or improvements acquired by the district in accordance
5 with this act.

6 (f) Eminent Domain. To exercise the right of eminent domain
7 to take any property necessary to carry out any of the objects or
8 purposes of this act.

9 (g) Indebtedness.

10 (1) To incur indebtedness and to issue bonds pursuant to
11 Section 61126 of the Government Code.

12 (2) To incur indebtedness and to issue bonds pursuant to the
13 bond provisions of the Revenue Bond Law of 1941 (Chapter 6
14 (commencing with Section 54300) of Part 1 of Division 2 of Title
15 5 of the Government Code).

16 (3) To incur indebtedness and to issue negotiable promissory
17 notes pursuant to a resolution adopted by vote of a majority of
18 the members of the district's board of directors. The amount of
19 indebtedness under this paragraph shall not exceed one million
20 dollars (\$1,000,000) and shall be repaid within 10 years from the
21 date on which it is incurred.

22 (4) To incur indebtedness using securitized limited obligation
23 notes pursuant to Article 7.4 (commencing with Section 53835)
24 of Chapter 4 of Part 1 of Division 2 of Title 5 of the Government
25 Code.

26 (5) To borrow money from the United States or any federal
27 agency or department for the acquisition or improvement of land
28 for district purposes. The district may borrow this money
29 pursuant to a resolution adopted by vote of a majority of the
30 members of the district's board of directors. The resolution shall
31 specify the particular project being undertaken and the amount,
32 term, and method of repayment of the loan. When received, the
33 money shall be deposited in a special fund and spent only for the
34 purposes for which the loan was approved. If a surplus remains
35 after the completion of the project, the surplus shall be applied to
36 repaying the loan.

37 (6) Notwithstanding any other provision of law, the maximum
38 rate of interest on indebtedness issued pursuant to this
39 subdivision shall not exceed the rate prescribed by Article 7
40 (commencing with Section 53530) of Chapter 3 of Part 1 of

1 Division 2 of Title 5 of the Government Code. The interest may
2 be fixed or variable and may be simple or compound. The
3 interest shall be payable at the time or times determined by the
4 district.

5 (h) Taxes. To cause taxes to be levied and collected for the
6 purpose of paying any obligation of the district in accordance
7 with this act.

8 (i) Exercise of Powers—Contracts. To make contracts, and to
9 employ persons and labor, and to do all acts necessary for the full
10 exercise of all powers vested in the district, or in any of the
11 officers of the district, by this act.

12 (j) Disposal of Property. To lease, sell, or dispose of any
13 property, or any interest in property, acquired in fee, or
14 otherwise, whenever in the judgment of the board of directors the
15 property, or any interest or part of the property, is no longer
16 required for the purposes of the district, or may be leased for any
17 purpose without interfering with the use of the property for the
18 purposes of the district, and to pay any compensation received
19 for the property into the general fund of the district and use the
20 compensation for the purposes of this act.

21 (k) Operation and Concession Agreements. To make contracts
22 for the operation or maintenance of any airport of the district, or
23 for any concession thereupon necessary or convenient to the
24 district.

25 (l) (1) Police Powers of District. To equip and maintain a
26 police department, to adopt ordinances, resolutions, and
27 regulations for the protection of the public peace, health, or
28 safety, in or upon any airport of the district, or in or upon any
29 approach to the airport, owned or controlled by the district and to
30 prescribe penalties for the violation of those ordinances,
31 resolutions, or regulations.

32 (2) Violation of any ordinance, resolution, or regulation shall
33 constitute a misdemeanor, unless, by ordinance, the district
34 designates the violation as an infraction.

35 (m) General Powers. To possess and exercise all powers
36 necessary or appropriate to a public airport district that are not
37 prohibited by the California Constitution, including all powers
38 granted by, or that may be hereafter granted by, any general law
39 of the state to any public airport district and all powers incidental
40 to, and necessary or convenient in connection with, the exercise

1 of the powers generally or specifically granted to the district by
2 this act.

3 SEC. 2. Section 5 of the Monterey Peninsula Airport District
4 Act (Chapter 52 of the Statutes of 1941) is amended to read:

5 Sec. 5. General District Elections. A general district election
6 shall be held in the district on the first Tuesday after the first
7 Monday in November in each even-numbered year. At each
8 district election, members of the board of directors equal in
9 number to the members whose terms on the board are expiring,
10 and upon the qualification of their successors, shall be elected for
11 the term of four years each and until each of their successors
12 have been elected and have qualified for office. All district
13 elections shall be noticed, held, the election returns canvassed,
14 and the election results declared in the manner prescribed by
15 the Uniform District Election Law (Part 4 (commencing with
16 Section 10500) of Division 10 of the Elections Code).

17 SEC. 3. Section 6 of the Monterey Peninsula Airport District
18 Act (Chapter 52 of the Statutes of 1941) is amended to read:

19 Sec. 6. Legislation.

20 (a) (1) The board of directors shall act in legislative matters
21 only by ordinance or resolution. Other actions of the board of
22 directors, unless otherwise provided by this act, may be
23 undertaken by resolution, motion, or order.

24 (2) The votes shall be counted upon the passage of all
25 ordinances and resolutions, and entered upon the record of the
26 proceedings of the board of directors. Upon the request of any
27 member of the board of directors, the vote on any matter shall be
28 recorded.

29 (3) No ordinance or resolution shall be passed without
30 receiving the votes of at least three members of the board of
31 directors.

32 (b) (1) Each ordinance shall be headed by a brief title, which
33 shall indicate its purpose.

34 (2) The ordaining clause of all ordinances adopted by the
35 board of directors shall be, "The Board of Directors of the
36 Monterey Peninsula Airport District do ordain as follows:". The
37 ordaining clause of all ordinances passed by initiative shall be,
38 "The People of the Monterey Peninsula Airport District do ordain
39 as follows:".

1 (c) (1) No ordinance shall be passed by the board of directors
2 until at least five days after its introduction or until publication at
3 least once in a newspaper of general circulation within the
4 district at least three days before its adoption.

5 (2) When an ordinance is amended before its final adoption,
6 and after its publication, it shall be republished in full as
7 amended at least one day before its adoption as amended.

8 (3) Notwithstanding any other provision of this act, if the
9 amendment is only for the correction of clerical errors or
10 omissions of form, the ordinance need not be given a first
11 reading or a republication as corrected.

12 (d) Except as otherwise provided by law, the levying of any
13 tax or assessment or the imposing of any penalty shall be
14 undertaken by ordinance.

15 (e) (1) No ordinance shall be amended or repealed except by
16 ordinance. No ordinance shall be amended by reference to its title
17 only.

18 (2) All ordinances shall be signed by the chairperson or acting
19 chairperson of the board of directors and attested to by the
20 secretary or acting secretary.

21 (3) All ordinances shall take effect 30 days after final passage
22 and approval, except that any ordinance determined and declared
23 by the board of directors to be necessary for the immediate
24 preservation of the public peace, health, or safety of the district
25 shall take effect immediately upon final passage, and a statement
26 of facts constituting the urgency shall be set forth in the
27 ordinance.

28 SEC. 4. Section 7 of the Monterey Peninsula Airport District
29 Act (Chapter 52 of the Statutes of 1941) is amended to read:

30 Sec. 7. Officers. The members of the board of directors, the
31 secretary of the board, a general manager, one or more assistant
32 managers, an auditor, and district counsel are the officers of the
33 district. No member of the board of directors shall be qualified
34 for election or appointment as a member unless he or she has
35 been a registered voter of the district for at least 30 days
36 immediately preceding the deadline for filing nomination
37 documents. Each member of the board of directors shall reside in
38 the district during his or her incumbency. The board of directors
39 shall, by ordinance, prescribe the powers, duties, and
40 compensation of all the officers, unless those powers, duties, and

1 compensation are prescribed by this act. In those cases, the board
2 may, by ordinance, prescribe additional powers and duties for
3 any officer consistent with this act.

4 SEC. 5. Section 7.5 of the Monterey Peninsula Airport
5 District Act (Chapter 52 of the Statutes of 1941) is amended to
6 read:

7 Sec. 7.5. Compensation.

8 (a) Each member of the board of directors shall receive
9 compensation in an amount not to exceed the amount set forth in
10 Section 22407 of the Public Utilities Code for each regular or
11 special meeting of the board attended or each day's service
12 rendered as a director at the request of the board, which amount
13 shall be fixed by the board from time to time.

14 (b) Notwithstanding subdivision (a), no director shall receive
15 compensation for more than four days in any calendar month.

16 (c) Each director shall also be allowed, with the approval of
17 the board, all travel and other expenses necessarily incurred by
18 the member in the actual performance of the member's duties.
19 *Reimbursement for expenses pursuant to this subdivision is*
20 *subject to Sections 53232.2 and 53232.3 of the Government*
21 *Code.*

22 SEC. 6. Section 11 of the Monterey Peninsula Airport District
23 Act (Chapter 52 of the Statutes of 1941) is amended to read:

24 Sec. 11. Vacancies.

25 (a) A vacancy on the board of directors shall be filled ~~in the~~
26 ~~manner set forth in Article 2 (commencing with Section 1770) of~~
27 ~~Chapter 4 of Division 4 of Title 1 of the Government Code.~~

28 ~~(b) If any member of the board of directors dies, or is absent~~
29 ~~from the district for more than 60 days consecutively without~~
30 ~~permission of the board of directors, or for that period willfully~~
31 ~~fails or refuses to perform the duties of his or her office, though~~
32 ~~able so to do, or fails to qualify, or resigns, or is adjudged insane~~
33 ~~or incompetent, or is convicted of a felony, his or her office shall~~
34 ~~become vacant. pursuant to Section 1780 of the Government~~
35 ~~Code.~~

36 SEC. 7. Section 14 of the Monterey Peninsula Airport District
37 Act (Chapter 52 of the Statutes of 1941) is amended to read:

38 Sec. 14. Depositories. The board shall designate depositories
39 for the custody of the funds of the district. A depository shall
40 give security sufficient to secure the district against possible loss,

1 and shall pay the warrants, checks, electronic fund transfer
2 authorizations, and other instructions for payment prepared by
3 the auditor for demands against the district under rules that the
4 board may prescribe.

5 SEC. 8. Section 15 of the Monterey Peninsula Airport District
6 Act (Chapter 52 of the Statutes of 1941) is amended to read:

7 Sec. 15. Auditor; Duties and Payment of Warrants.

8 (a) The auditor shall install and maintain a system of auditing
9 and accounting that shall competently and at all times show the
10 financial condition of the district. *The system of auditing and*
11 *accounting shall be consistent with generally accepted*
12 *accounting principles.*

13 (b) The auditor shall prepare warrants, checks, electronic fund
14 transfer authorizations, and other instructions for payment to pay
15 demands made against the district if the demands have been
16 approved by at least three directors. *The auditor's payment*
17 *procedures shall be consistent with generally accepted*
18 *accounting principles.*

19 (c) Notwithstanding subdivision (b), warrants, checks,
20 electronic fund transfer authorizations, or other forms for
21 payment of claims or demands approved by the auditor in
22 accordance with a budget approved by the board of directors
23 need not be approved by one or more members of the board of
24 directors prior to payment.

25 ~~SEC. 9. No reimbursement is required by this act pursuant to~~
26 ~~Section 6 of Article XIII B of the California Constitution for~~
27 ~~certain costs that may be incurred by a local agency or school~~
28 ~~district because, in that regard, those costs are the result of a~~
29 ~~program for which legislative authority was requested by that~~
30 ~~local agency or school district, within the meaning of Section~~
31 ~~17556 of the Government Code, or changes the definition of a~~
32 ~~crime within the meaning of Section 6 of Article XIII B of the~~
33 ~~California Constitution.~~

34 ~~However, if the Commission on State Mandates determines~~
35 ~~that this act contains other costs mandated by the state,~~
36 ~~reimbursement to local agencies and school districts for those~~
37 ~~costs shall be made pursuant to Part 7 (commencing with Section~~
38 ~~17500) of Division 4 of Title 2 of the Government Code.~~

39 *SEC. 9. No reimbursement is required by this act pursuant to*
40 *Section 6 of Article XIII B of the California Constitution because*

1 *the only costs that may be incurred by a local agency or school*
2 *district are the result of a program for which legislative authority*
3 *was requested by that local agency or school district, within the*
4 *meaning of Section 17556 of the Government Code and Section 6*
5 *of Article XIII B of the California Constitution.*

6 *No reimbursement shall be made pursuant to Part 7*
7 *(commencing with Section 17500) of Division 4 of Title 2 of the*
8 *Government Code for any other costs mandated by the state*
9 *pursuant to this act. It is recognized, however, that a local*
10 *agency or school district may pursue any remedies to obtain*
11 *reimbursement available to it under Part 7 (commencing with*
12 *Section 17500) and any other provisions of law.*